

# Support for TAY Housing Incentives for Developers

AB2442 – Proposed & Passed by CA  
Assembly, now in California Senate



Susan Flaming  
Jeanette Mann

# Issue: Incentives for Developers of Supportive Housing for TAY

- Currently a severe lack of affordable housing for transition-age foster youth (TAY) in LA County
- Developer incentive for affordable housing was passed in 2014 (AB 2222) to allow “multi-density bonus” for low and moderate income groups
  - E.g. Where legal density would allow 100 units, developers could increase an additional 2 units if allocating 10 units to low/moderate income
  - Foster youth in transition, were not identified in original legislation as qualifying for density bonus

# Existing Law

to grant density bonuses when an applicant seeks and agrees to construct a housing development with any one of the following:

- Ten percent of the total units of a housing development for lower income households.
- Five percent of the total units of a housing development for very low income households.
- A senior citizen housing development or a mobile-home park with age requirements for housing for older persons.
- Ten percent of the total dwelling units in a common interest development for “persons and families of moderate income.”

# Proposed Solution

- AB2442, proposed by Chris Holden, calls out TAY as qualifying for density bonus (along with disabled veterans and formerly homeless)
- AB2442 Status:
  - Passed by CA Assembly, May 19, 2016
  - Currently in CA Senate Committee on Transportation and Housing
- Opportunity: strong support from key stakeholders could strengthen likelihood of bill passage and governor's signature
  - Chris Holden's office will be reaching out to key stakeholders for support, including LACBOS

# Request for Support from LA Children's Commission

- The LACBOS has not yet taken a position on AB2442
- Help Requested:
  - Children's Commissioners send letter of support to LACBOS for approval at June 14 or 21 BOS meeting
  - Other Approval Deadlines, possibly requiring support:
    - July 8: Senate Transportation and Housing Committee
    - Aug. 12: Senate Appropriations Committee
    - Aug. 30: California Senate
    - Sept. 30: Governor

# Assembly Bill 2442 – Density Bonuses for Transitional Populations

## Assemblymember Chris R. Holden

### SUMMARY

Assembly Bill 2442 adds providing housing for former foster youth, disabled veterans, and formerly homeless individuals as a way for a developer to obtain a Multiple Density Bonus from a local government for constructing housing in that community.

### Background

California is known for its dense population and its cultural diversity. Efforts to preserve these qualities have been challenged by rising housing costs and a subsequent lack of reliable and affordable housing. Private companies and non-profit groups have a long history of working in partnership with public entities to keep development costs low in their communities and to nurture the desirable qualities of the community for mutual benefit.

One example of this partnership is done by providing multiple density bonuses to housing developers. A multiple density bonus is a zoning tool that enables developers to build more units than normally allowed. The State of California grants local governments the ability to provide density bonuses to housing developers who pledge to provide a percentage of housing for certain households. The Housing Innovations Project illustrates the economic environment where bonuses are most effective: “This tool tends to work well if market rents or home prices are high, land values are high, and land is scarce.”<sup>1</sup> Local governments provide the bonus as a leniency incentive to allow more units to be built, while guaranteeing that a disadvantaged population has affordable housing options available to them once the development is complete.

According to the Public Policy Institute of California, 12 percent of foster youths in California age out of the system – a total of 4,500 youths - with 19 percent of

them are African American.<sup>2</sup> Statistically, emancipated youth tend to struggle with education and employment and are more likely to be homeless or in the criminal justice system.<sup>3</sup>

According to the U.S. Department of Housing and Urban development, “California accounted for 21 percent of the nation’s homeless population in 2015.” This translates to roughly 115,000 individuals within our state. Of these people, approximately ten percent are homeless veterans.<sup>4</sup> The veteran population, especially those that require additional services after their discharge, unjustly experience uncertain housing situations. The National Center for Veterans Analysis and Statistics finds that “Disabled Veterans have higher poverty rates than disabled non-Veterans for all age groups except over age 65.”<sup>5</sup>

### Existing Law:

**Government Code §65915:** Requires a city or county to grant density bonuses when an applicant seeks and agrees to construct a housing development with any one of the following:

- Ten percent of the total units of a housing development for lower income households.
- Five percent of the total units of a housing development for very low income households.
- A senior citizen housing development or a mobile-home park with age requirements for housing for older persons.
- Ten percent of the total dwelling units in a common interest development for “persons and families of moderate income.”

<sup>2</sup> *Foster Care in California: Achievements and Challenges*. Danielson & Lee. PPIC.

<sup>3</sup> *The Difficult Transition to Adulthood for Foster Youth in the US: Implications for the State as Corporate Parent*. Courtney, Mark. Social Policy Report 23.

<sup>4</sup> *The 2015 Annual Homeless Assessment Report to Congress*. The U.S. Department of Housing and Urban Development, Office of Community Planning and Development.

<sup>5</sup> *Veteran Poverty Trends*. National Center for Veterans Analysis and Statistics. May 2015.

<sup>1</sup> *Featured Tool: Density Bonuses*. Housing Innovations Project. Puget Sound Regional Council.

**Education Code §65915:** Defines “former foster youth” as an emancipated foster youth under the age of 24.

**Government Code §18541:** Defines “disabled veteran” as any veteran who is currently declared by the United States Veterans Administration to be 10 percent or more disabled as a result of service in the armed forces.

**42 U.S.C. §11301 et seq.:** The McKinney-Vento Homeless Assistance Act provides federal definitions on homeless individuals and families.

## **THE SOLUTION**

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In urban and suburban areas, providing an affordable housing option to these populations can be paired with available incentives to build density housing. Assembly Bill 2442 allows a Multiple Density Bonus from a local government to be obtained by a housing developer if the developer agrees to build housing and set aside ten percent of that housing for former foster youth, disabled veterans, and/or formerly homeless individuals. These units would be made available for 55 years at the affordability rate of very-low income units.

## **Support/Opposition**

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**Support:** Bonita Unified School District  
California Council of Community Behavioral  
Health Agencies  
County Behavioral Health Directors  
Association of California  
David & Margaret Youth and Family Services  
Hillsides Organization  
LA County Supervisor Michael Antonovich  
Mental Health of America  
Santa Clara County Board of Supervisors  
126 Individuals with All Saints Church

### **Opposition:**

**Contact: Victor Munoz**  
916-319-2041 || 916-319-2141 Fax  
Victor.Munoz@asm.ca.gov